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UNITED STATES BANKRUPTCY COURT

DISTRICT OF OREGON

In re)
) Case No. 11-62723-fra11
Olsen Agricultural Enterprises LLC,)
an Oregon limited liability company,) Chapter 11
)
Debtor.) DEBTOR'S MOTION FOR
) AUTHORIZATION TO SELL REAL
) PROPERTY OUTSIDE THE ORDINARY
) COURSE OF BUSINESS FREE AND
) CLEAR OF LIENS
)
) (Koos Brownsville Farm)
)

Olsen Agricultural Enterprises LLC (the "Debtor"), as debtor in possession, hereby moves this Court for entry of an order authorizing it to sell the real property and improvements located in Brownsville, Linn County, Oregon, consisting of approximately 373.58 acres and known as the Koos Brownsville Farm (the "Property"), free and clear of liens, in accordance

with the terms and conditions set forth in the Real Estate Sale Agreement dated June 20, 2011 (a copy of which is attached hereto as Exhibit A, the “Sale Agreement”). In support of this motion, the Debtor represents:

Background

1. On June 1, 2011 (the “Petition Date”), the Debtor filed herein a voluntary petition under Chapter 11 of the Bankruptcy Code. The Debtor is continuing in the management and possession of its business and properties as debtor in possession under sections 1107 and 1108 of the Bankruptcy Code. On June 9, 2011, the Official Committee of Unsecured Creditors (the “Committee”) was appointed by the United States trustee. As of the date hereof, no trustee or examiner has been requested or appointed in this case.

2. The Debtor operates an agricultural enterprise on approximately 7,762 acres of owned and leased land located in Benton, Linn and Polk Counties. Its business is comprised principally of three divisions: (a) Olsen Seed Company, which produces and sells a variety of grass seed and grains on approximately 5,934 acres; (b) Olsen Agriculture, which grows and sells peppermint, nursery stock, squash, hazelnuts and blueberries on approximately 1,334 acres; and (c) Olsen Family Vineyards, which grows a variety of grapes on approximately 494 acres and produces and sells quality wines under the “Viridian” label as well as private labels. As of the date hereof, the Debtor has 45 employees, including management personnel.

3. The Debtor is the surviving entity of a merger transaction that was consummated on June 1, 2011. In the merger transaction, Olsen Agricultural Company, Inc., an Oregon corporation (“OAC”), Jenks-Olsen Land Co., an Oregon general partnership (“JOLC”), Olsen Vineyard Company, LLC, an Oregon limited liability company (“OVC”) and The Olsen Farms

Family Limited Partnership, an Oregon limited partnership (“OFFLP”) were merged with and into the Debtor.

4. On June 23, 2011, the Court entered herein (i) a Final Order Authorizing Debtor to Use Cash Collateral and Granting Adequate Protection to Prepetition Secured Parties [Dkt #96] (the “Cash Collateral Order”), and (ii) a Final Order Authorizing Debtor to Obtain Postpetition Secured Financing and Granting Adequate Protection to Prepetition Secured Parties [Dkt #95] (the “DIP Financing Order”).

5. The Property, which consists of approximately 373.58 acres and is more specifically described in the attached Exhibit B, is farmland that presently is used by the Debtor to grow grass seed. The improvements on the Property include irrigation pumps and panels. According to an appraisal made on January 20, 2011, the fair market value of the Property and its liquidation value are \$1,450,000 and \$1,233,000, respectively.

6. The Property is subject to and encumbered by, among other interests, the following:

(a) Statutory liens that secure claims of Linn County and other governmental units for property taxes, assessments and similar impositions (collectively, “Governmental Impositions”).

(b) DIP Liens, as that term is defined in the DIP Financing Order, in favor of Rabo Agrifinance, Inc. (“Rabo”) that secure the DIP Loan Obligations under the DIP Financing Order.

(c) First-priority prepetition trust deed lien in favor of Rabo that secures a claim for a term loan originally made by AXA Equitable Life Insurance Company to OAC,

JOLC, OVC and OFFLP. As of the Petition Date, the amount of this secured claim was approximately \$14,243,000.

(d) Second-priority prepetition trust deed lien in favor of Rabo that secures a claim for line of credit loans made by Rabo to OAC, OVC, JOLC, James E. Olsen, Robin P. Olsen and Robin G. Olsen. As of the Petition Date, the amount of this secured claim was approximately \$15,587,000.

(e) Third-priority Replacement Liens, as that term is defined in the Cash Collateral Order, in favor of Rabo, BFS International LLC ("BFS"), United States of America, acting by and through the Internal Revenue Service (the "IRS"), Ledebor Seed, LLC ("Ledebor Seed"), and Callisons, Inc. d/b/a Callisons and Sons ("Callisons").

(f) Fourth-priority Adequate Protection Liens, as that term is defined in the DIP Financing Order, in favor of Rabo, BFS, the IRS, Ledebor Seed, Callisons, and West Coast Bank.

7. Julian Lafayette (the "Buyer") desires to purchase the Property from the Debtor, and the Debtor desires to sell the Property to the Buyer, in accordance with the terms and conditions set forth in the Sale Agreement. Under the terms of the Sale Agreement, among other things, (i) the purchase price for the Property is \$1,575,000, payable in cash at the closing, (ii) the Property will include all irrigation pumps and panels located thereon, (iii) the Debtor will retain ownership of the growing crops, which must be harvested by September 1, 2011, (iv) the Debtor will transfer to the Buyer all of its water rights relating to the Property, (v) the Debtor will grant to the Buyer an access easement, 40 feet in width, which will expire when a public right of way is created, and (vi) the Debtor will lease to the Buyer the adjoining farmland of

approximately 21.7 acres, at an annual rental of \$1,000, for a term that will expire upon the commencement of the development of the leased property.

8. The Buyer is not an insider of the Debtor.

9. The Debtor has employed Terry Silbernagel of Agri-Business Real Estate Services, a licensed real estate broker, as its exclusive selling agent for the Property. Under the terms of the listing agreement, the broker will be entitled to a commission equal to the lesser of (a) five percent of the purchase price, or (b) the amount that is the difference between (i) the proceeds from the sale of the Property (net of amounts paid on account of escrow fees and other closing costs payable by the Debtor in connection therewith), and (ii) \$1,500,000, which will be earned and become payable at the closing. The other closing costs payable by the Debtor in connection with the contemplated sale transaction (including premiums for a seller's title insurance policy and escrow fees) are estimated not to exceed \$4,238.00.

10. The Debtor has determined, in the reasonable exercise of its business judgment, that the sale of the Property prior to the confirmation of a plan of reorganization is in the best interest of the estate. Among other things, (i) the Property is not necessary to an effective reorganization, and (ii) the Debtor needs additional cash to fund its projected restructuring costs or to pay down the debtor in possession loan facility (the "DIP Loan") that was approved by the DIP Financing Order. The Sale Agreement is the product of arms-length negotiations. The Debtor believes that the purchase price is fair and that the other terms of the Sale Agreement are commercially reasonable. As the Debtor is taxed as a partnership for federal income tax purposes, the contemplated sale transaction will not give rise to an income tax liability for which the estate will become obligated to pay.

Jurisdiction

11. This Court has jurisdiction over this matter pursuant to 28 USC §§ 157 and 1334 and LR 2100.1. Consideration of this motion constitutes a core proceeding within the meaning of 28 USC § 157(b)(2)(N). The statutory predicates for the relief sought by this motion are sections 363(b)(1) and 363(f) of the Bankruptcy Code. Venue is proper under 28 USC § 1408.

Relief Requested

12. By this motion, the Debtor seeks entry of an order (i) approving the Sale Agreement, as it may be amended or supplemented from time to time with the written consent of the Committee, (ii) authorizing the Debtor to sell the Property to the Buyer or its assigns free and clear of all liens other than Governmental Impositions, and (iii) authorizing the Debtor to take all actions that are reasonably necessary or appropriate to fulfill its obligations under the Sale Agreement and to consummate the transactions contemplated thereby. The Debtor further requests that the order on this motion become effective immediately upon its entry, notwithstanding any stay under Bankruptcy Rule 6004(h).

Points and Authorities

13. Section 363(b)(1) of the Bankruptcy Code provides generally that a debtor in possession “after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.” That statute allows a debtor in possession, subject to court approval, to sell property of the estate outside the ordinary course of business where the proposed sale is a sound exercise of the debtor’s business judgment. *See, e.g., Committee of Equity Security Holders v. Lionel Corporation (In re Lionel Corp.)*, 722 F2d 1063, 1070 (2d Cir 1983); *In re Ernst Home Center, Inc.*, 209 BR 974, 980 (Bankr WD Wash 1997). When a debtor

in possession articulates a reasonable basis for its business decisions, “courts will generally not entertain objections to the debtor’s conduct.” *Committee of Asbestos-Related Litigants v. Johns-Manville Corp. (In re Johns-Manville Corp.)*, 60 BR 612, 616 (Bankr SD NY 1986).

14. The Debtor’s decision to sell the Property pursuant to the Sale Agreement before a plan is confirmed has substantial business justification. The Property is not necessary to an effective reorganization and the Debtor needs additional cash to fund its projected restructuring costs or to pay down the DIP Loan. The Debtor believes that the purchase price to be paid by the Buyer for the Property is the highest and best obtainable in the circumstances and that the other terms of the Sale Agreement are commercially reasonable.

15. Under section 363(f) of the Bankruptcy Code, the Debtor is granted the statutory power to sell property of the estate “free and clear of any interest in such property of an entity other than the estate” if any one of five enumerated conditions can be satisfied. These conditions include “(1) applicable nonbankruptcy law permits sale of such property free and clear of such interest; [or] (2) such entity consents.” Either or both of these conditions is satisfied as to each lien that encumbers the Property.

16. The liens of Rabo, BFS, the IRS, Ledeboer Seed, Callisons and West Coast Bank will attach to the proceeds realized from the sale of the Property (net of amounts paid on account of Governmental Impositions, real estate commissions, escrow fees and other closing costs payable by the Debtor in connection therewith) to the same extent, with the same validity and in the same order of priority as such liens exist against the Property.

Notice

17. Notice of this motion has been given to all creditors and other parties entitled to notice under Bankruptcy Rule 2002(a) in accordance with the requirements of LBR 2002-1.

WHEREFORE, the Debtor requests entry of an order granting the relief requested herein and such other and further relief as is appropriate.

Dated: June 30, 2011.

Greene & Markley, P.C.

By /s/ Sanford R. Landress.
Sanford R. Landress, OSB #814382
Attorneys for Debtor

Exhibit A – Sale Agreement



Sale Agreement # TS2011-601-1

FINAL AGENCY ACKNOWLEDGMENT

Both Buyer and Seller acknowledge having received the Oregon Real Estate Agency Disclosure Pamphlet, and hereby acknowledge and consent to the following agency relationships in this transaction: (1) Terry Silbernagel (Name of Selling Licensee) of Agri-Business Real Estate Services (Name of Real Estate Firm) is the agent of (check one):
☐ Buyer exclusively ("Buyer Agency"). ☒ Seller exclusively ("Seller Agency"). ☐ Both Buyer and Seller ("Disclosed Limited Agency").
 (2) Terry Silbernagel (Name of Listing Licensee) of Agri-Business Real Estate Services (Name of Real Estate Firm) is the agent of (check one):
☒ Seller exclusively ("Seller Agency"). ☐ Both Buyer and Seller ("Disclosed Limited Agency").
 (3) If both parties are each represented by one or more Licensees in the same Real Estate Firm, and the Licensees are supervised by the same principal broker in that Real Estate Firm, Buyer and Seller acknowledge that said principal broker shall become the disclosed limited agent for both Buyer and Seller as more fully explained in the Disclosed Limited Agency Agreements that have been reviewed and signed by Buyer, Seller and Licensee(s).
 Buyer shall sign this acknowledgment at the time of signing this Agreement before submission to Seller. Seller shall sign this acknowledgment at the time this Agreement is first submitted to Seller, even if this Agreement will be rejected or a counter offer will be made. Seller's signature to this Final Agency Acknowledgment shall not constitute acceptance of this Agreement or any terms therein.

Buyer [Signature] Print Julian Lafayette Date 6/25/11 ←
 Buyer [Signature] Print _____ Date _____ ←
 Seller [Signature] Print _____ Date _____ ←
 Seller [Signature] Print Olsen Agricultural Enterprises LLC Date 6/25/11 ←

FARMS, RANCHES, ACREAGE & NATURAL RESOURCE PROPERTY REAL ESTATE SALE AGREEMENT

This Agreement is intended to be a legal and binding contract.
 If it is not understood, seek competent legal advice before signing. Time is of the essence of this Agreement.
 1. DEFINITIONS: All references in this Agreement to "Licensee" and "Firm" shall refer to Buyer's and Seller's real estate agents licensed in the State of Oregon and the respective real estate companies with which they are affiliated. Licensee(s) and Firm(s) identified in the Final Agency Acknowledgment Section above are not parties to this Agreement, except as may be expressly applicable. Unless otherwise provided herein: (1) Time calculated in days after the date Buyer and Seller have signed this Agreement shall start on the first full business day after the date of Seller's signature indicating acceptance of Buyer's offer or counteroffer, or Buyer's signature indicating acceptance of Seller's counteroffer; (2) Written notices required or permitted under this Agreement to be delivered to Buyer or Seller may be delivered to their respective Licensee with the same effect as if delivered to that Buyer or Seller; (3) A "business day" shall mean Monday through Friday, except recognized legal holidays as enumerated in ORS 187.010 and 187.020.

2.1 PRICE/PROPERTY DESCRIPTION: Buyer (print name(s)) Julian Lafayette
 offers to purchase from Seller (print name(s)) Olsen Agricultural Enterprises LLC
 the following described real property, consisting of 373 acres, more or less (hereinafter "the Property") situated in the State of Oregon, County Linn, and commonly known as (insert street address, city, zip code, tax identification number, lot/block description, etc.).
Township 14 South, Range 3 West, Section 1 and 12 tax lots 1100, 2200, 2600
 (Buyer and Seller agree that if it is not provided herein, a complete legal description as provided by the title insurance company in accordance with Section 5, below, shall, where necessary, be used for purposes of legal identification and conveyance of title.)
 for the Purchase Price (in U.S. currency) of _____ A \$ 1,575,000.00
 on the following terms: Earnest money herein receipted for _____ B \$ 50,000.00
 on _____, as additional earnest money, the sum of _____ C \$ _____
 at or before Closing, the balance of down payment _____ D \$ _____
 at Closing and upon delivery of ☒ DEED ☐ CONTRACT the balance of the Purchase Price _____ E \$ 1,525,000.00
 (Lines B, C, D and E should equal Line A)

Buyer Initials [Signature] Date 6/25/11Seller Initials [Signature] Date 6-25-11

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Sale Agreement # TS2011-601-1

2.2 BALANCE OF PURCHASE PRICE. (Select A or B)

A. ☐ This is an all cash transaction. Buyer to provide verification ("Verification") of readily available funds at time of submission of this Agreement to Seller or Listing Licensee. Seller may notify Buyer or Buyer's Licensee, in writing, of Seller's unconditional disapproval of the Verification within _____ business days (five [5] if not filled in) ("Disapproval Period") following its receipt by Seller or Listing Licensee, in which case, all earnest money deposits shall be promptly refunded and this transaction shall be terminated. If Seller fails to provide Buyer or Selling Licensee with written unconditional disapproval of the Verification by Midnight of the Disapproval Period, Seller shall be deemed to have approved the Verification.

B. ☒ Balance of Purchase Price to be financed as follows (Select only one): ☐ Conventional; ☐ FHA; ☐ Federal VA; ☐ Other (Describe details of loan to be obtained): This offer is subject to the property and the buyer qualifying for new financing on terms and conditions acceptable to the buyer. (collectively "Lender")

2.3 PRE-APPROVAL LETTER. ☐ Buyer has attached a copy of a Pre-Approval Letter from Buyer's Lender or mortgage broker; ☒ Buyer does not have a Pre-Approval Letter at the time of making this offer; ☐ Buyer agrees to secure a Pre-Approval Letter as follows: _____

3.1 BUYER REPRESENTATIONS: As of the date of signing this Agreement, Buyer makes the following representations to Seller: (1) Buyer shall apply for a loan not later than 7 business days (three [3] if not filled in) following the date Buyer and Seller have signed this Agreement, and will thereafter complete all reasonably necessary papers in a timely manner and exercise best efforts (including payment of all application, appraisal and processing fees, where applicable) to obtain the loan; (2) Buyer shall make a good faith effort to secure the ordering of the Lender's appraisal no later than expiration of the Inspection Contingency Period in Section 15 of this Agreement, or if the Professional Inspection Addendum (OREF-058) is used, expiration of the Negotiation Period. (3) Buyer currently has liquid and available funds for the earnest money deposit and down payment, sufficient to Close the transaction described herein, and is not relying upon any contingent source of funds (e.g., from loans, gifts, sale or Closing of other property, 401K disbursements, etc.), except as follows (describe): _____

(4) Buyer authorizes Buyer's Lender or mortgage broker to provide non-confidential information to Listing and Selling Licensees regarding Buyer's loan application status. (5) Buyer shall promptly notify Seller or Seller's Licensee if, after signing this Agreement, Buyer substitutes another lender or loan program for any reason. (6) Buyer agrees to keep Seller promptly informed of all other material non-confidential developments regarding Buyer's financing and the timing of Closing.

3.2 INSURANCE. If the Property is located in a designated flood zone, Buyer acknowledges that flood insurance may be required as a condition of the new loan. Buyer is encouraged to promptly verify the availability and cost of property/casualty insurance that will be secured for the Property.

3.3 FINANCING CONTINGENCIES. If Buyer is financing any portion of the Purchase Price, this transaction is subject to the following financing contingencies: (1) Buyer and the Property to qualify for the loan from Lender; (2) Lender's appraisal shall not be less than the Purchase Price; and, (3) Other (Describe): _____

All Financing Contingencies are solely for Buyer's benefit and may be waived by Buyer in writing at any time.

3.4 FAILURE OF FINANCING CONTINGENCIES. If Buyer receives actual notification that any Financing Contingencies identified above have failed or otherwise cannot occur, Buyer and Seller shall have _____ business days (two [2] if not filled in) following the day of such notification to either (a) Terminate this transaction by signing a Termination Agreement (OREF-057) or such other similar form as may be provided by Escrow; or (b) Reach a written mutual agreement upon such price and terms that will permit this transaction to continue. Neither Seller nor Buyer is required under the preceding provision (b) to reach such agreement. If (a) or (b) fail to occur within the time period identified herein, this transaction shall be automatically terminated and all earnest money shall be promptly refunded to Buyer. Buyer understands that upon termination of this transaction, Seller shall have the right to immediately place the Property back on the market for sale upon any price and terms as Seller determines, in Seller's sole discretion.

4. ADDITIONAL PROVISIONS: The agreement and contemplated sale are subject to bankruptcy court approval after notice to creditors.

Lines #359 to #405 of this sales agreement are hereby stricken. Disputes between the company (seller) and the buyer will be resolved by the bankruptcy court. This offer does hereby terminate and replace the offer # TS2011-601. For additional provisions, see Addendum ONE

5. TITLE INSURANCE: Unless otherwise provided herein, this transaction is subject to Buyer's review and approval of a preliminary title report and the recorded covenants, conditions and restrictions ("the Report and CC&Rs") showing the condition of title to the Property. (If not fully understood, Buyer should immediately contact the title insurance company for further information or seek competent legal advice. Neither the Listing nor Selling Licensee is qualified to advise on specific legal or title issues.) Upon signature and acceptance of this

Buyer Initials EJ Date 6.25.11Seller Initials JS Date 6.25.11

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Sale Agreement # TS2011-601-1

Agreement by Buyer and Seller, Seller will, at Seller's sole expense, promptly order the Report and CC&Rs from an Oregon title insurance company and furnish them to Buyer. Upon receipt of the Report and CC&Rs, Buyer shall have _____ business days (five [5] if not filled in) within which to notify Seller, in writing, of any matters disclosed in the Report and CC&Rs which is/are unacceptable to Buyer ("the Objections"). Buyer's failure to timely object, in writing, to any matters disclosed in the Report and/or CC&Rs shall constitute acceptance of the report and/or CC&Rs. However, Buyer's failure to timely object shall not relieve Seller of the duty to convey marketable title pursuant to Section 7 below. If, within _____ business days (five [5] if not filled in) following receipt of the Objections, if any, Seller fails to remove or correct the matters identified in the Objections, or does not give written assurances reasonably satisfactory to Buyer that they will be removed or corrected, all earnest money shall be promptly refunded to Buyer and this transaction shall be terminated. This contingency is solely for Buyer's benefit and may be waived by Buyer in writing. Within thirty (30) days after Closing, Seller shall furnish to Buyer an owner's standard form policy of title insurance insuring marketable title in the Property to Buyer in the amount of the purchase price, free and clear of the Objections and all other title exceptions agreed to be removed as a part of this transaction. **(Note: This Section 5 provides that Seller will pay for Buyer's standard owner's policy of title insurance. In some areas of the country, such a payment might be regarded as a "seller concession." Under the amended Real Estate Settlement Procedures Act ("RESPA"), effective on January 1, 2010 there are limitations, regulations and disclosure requirements on "seller concessions" unless the product or service paid by the Seller was one customarily paid by the Seller. In Oregon, sellers customarily and routinely pay for their buyer's standard owner's policy of title insurance. Accordingly, unless the terms of this Section 5 are modified in writing by Buyer and Seller, the parties acknowledge, agree and so instruct Escrow, that in this transaction, Seller's payment of Buyer's standard owner's policy of title insurance is not a "seller concession" under RESPA or any other federal or state law.)**

6. IRC 1031 EXCHANGE: In the event Buyer or Seller elects to complete an IRC 1031 exchange in this transaction, the other party agrees to cooperate with them and the accommodator, if any, in a manner necessary to complete the exchange, so long as it will not delay the Close of escrow or cause additional expense or liability to the cooperating party. Unless otherwise provided herein, this provision shall not become a contingency to the Closing of this transaction.

7. DEED: Seller shall convey marketable title to the Property by statutory warranty deed (or good and sufficient personal representative's or trustee's or similar legal fiduciary's deed, where applicable) free and clear of all liens of record, except property taxes which are a lien but not yet payable, zoning ordinances, building and use restrictions, reservations in Federal patents, easements of record which affect the Property, covenants, conditions and restrictions of record, and those matters accepted by Buyer pursuant to Section 5 above.

8. ADDITIONAL LAND SALE CONTRACT/TRUST DEED/MORTGAGE/OPTION AGREEMENTS: If this transaction is to include a land sale contract, trust deed, mortgage, or option agreement between Buyer and Seller, the parties shall agree upon the terms and conditions of such document not later than N/A business days (ten [10] if not filled in) after the date Buyer and Seller have signed and accepted this Sale Agreement. Upon failure of Buyer and Seller to reach agreement as to the terms and conditions of the document within said time period, this transaction shall automatically terminate, all parties shall cooperate in signing such documentation reasonably necessary to effect a termination of this transaction and a refund of all deposits, if any, to Buyer. **Caveat: The additional documents identified in this Section 8 can have legally binding consequences, and Buyer and Seller are strongly encouraged to secure competent legal advice before entering into such agreements. If Escrow (as defined in Section 23) is instructed to prepare the note and trust deed or mortgage to be used in this transaction, state statute requires that Buyer and Seller receive from Escrow, at least three (3) days prior to Closing (as defined in Section 24), a statutory notice and a copy of the proposed documents. This requirement cannot be waived by Buyer or Seller without the approval of both of their respective Oregon-licensed attorneys.**

9. UCC FILINGS: All UCC filings on any crops, livestock, and/or equipment being purchased as part of this transaction shall be terminated by Seller on or before the Closing Date.

10. FIXTURES: All fixtures (including remote controls and essential related equipment) are to be left upon the Property. Fixtures shall include but not be limited to: Built-in appliances; attached floor coverings; drapery rods and curtain rods; window and door screens; storm doors and windows; system fixtures (irrigation, plumbing, ventilating, cooling and heating); annually affixed irrigation pumps; water heaters; attached electric lights and bathroom fixtures; light bulbs, fluorescent lamps; window blinds; awnings; fences and gates; all planted shrubs, plants and trees; and affixed trade equipment and machinery (e.g., electric fence chargers, all water troughs, above ground storage tanks, etc.) EXCEPT: _____

11. PERSONAL PROPERTY: Only the following personal property, in "AS-IS" condition is included in the purchase price Any irrigation pumps and panels currently located on the property.

_____ at a value \$ _____
See Addendum _____ for list of personal property. All personal property transfers will be by good and sufficient bill of sale.

12. ALARM SYSTEM: ☒ NONE ☐ OWNED ☐ LEASED. If leased, Buyer ☐ will ☐ will not assume the lease at Closing.

13. WOODSTOVE/FIREPLACE INSERT: Does the Property contain a woodstove or fireplace insert? ☐ Yes ☐ No If yes, Seller to provide Buyer with OREF-046 Woodstove/Fireplace Insert Addendum if device is uncertified.

Buyer Initials ESJDate 6/25/11Seller Initials ESJDate 6.25.11

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Sale Agreement # TS2011-601-1

14. CROPS/TIMBER: All currently growing crops (including timber) and any crops planted before Closing, are to be the property of ☐ Buyer ☒ Seller ☐ Leaseholder. Prior to Closing, the responsibility for maintaining said crops shall belong to ☐ Buyer ☒ Seller ☐ Leaseholder. If crops belong to Seller or Leaseholder and are to remain the property of Seller or Leaseholder after Closing, harvesting of said crops shall be not later than (insert date) September 1, 2011. Any outstanding contracts for crops grown or to be grown on the Property shall belong to ☐ Buyer ☐ Seller ☐ Leaseholder. All provisions of this clause shall be subject to ORS 91.230 - Farm Tenant's Right to Emblements. The parties agree to abide by forestry regulations for harvesting and reforestation.

15. PUBLIC AND PRIVATE GRAZING RIGHTS: All public lands grazing permit(s)/lease(s) (collectively "public grazing rights"), if any, are included in this purchase. Provided however, Buyer understands that Buyer may be required to make application to the Bureau of Land Management or U.S. Forest Service for approval of the transfer of all public grazing rights to Buyer. All private leases and/or grazing contracts (collectively "private grazing rights") associated with the Property ☐ are ☐ are not included in this transaction. If such public or private grazing rights are to be acquired by Buyer, this transaction is subject to Buyer's review and approval of all such rights, including but not limited to grazing permits, leases or contracts to be acquired as a part of this transaction. Upon execution of this Agreement by Buyer and Seller, Seller shall promptly obtain and furnish to Buyer copies of those documents reasonably describing the public and/or private grazing rights affecting the Property. Upon receipt thereof, Buyer shall have _____ business days (five [5] if not filled in) thereafter within which to notify Seller, in writing, of Buyer's disapproval of such public and/or private grazing rights and election to terminate this transaction, in which case, all earnest money shall be promptly refunded to Buyer and this transaction shall be terminated. Buyer's failure to notify Seller in writing of Buyer's dissatisfaction with such public or private grazing rights within the time identified in this Section 15, shall constitute approval of such rights.

16. LENDER SHARES: If, as part of this transaction, Buyer will be assuming a loan from an entity that requires purchase of shares in said entity, such as Farm Credit Services, then those shares ☐ shall ☒ shall not be a part of the purchase price identified at Section 2 above. If said shares are not a part of the purchase price, Buyer and Seller shall reach mutual written agreement as to such price and stock ownership requirements within _____ business days (ten [10] if not filled in) from the date this Agreement is signed by Buyer and Seller.

17. RANCH NAME/REGISTERED BRAND(S): The ranch or business name shall: ☒ remain with Seller; ☐ transfer to Buyer. The registered Ranch Brand(s) shall: ☐ remain with Seller; ☐ transfer to Buyer.

18. SELLER REPRESENTATIONS: Subject to other written disclosures made by Seller as a part of this transaction, Seller makes the following representations to Buyer:

(1) The primary dwelling(s), if any, is/are connected to (check all that apply): ☐ a public sewer system; ☐ an on-site sewage system; ☐ a public water system; ☐ a private well and/or shared well; ☐ other (e.g., surface springs, cistern, etc.).

(2) At the earlier of possession or Closing Date, the dwelling will have one or more operating smoke alarms, smoke detectors and carbon monoxide detectors as required by law. (See, <http://www.oregon.gov/OSP/SFM/>)

(3) Seller has no knowledge of any hazardous substances in or about the Property other than substances (if any) contained in appliances and equipment. Buyer acknowledges that asbestos commonly exists in insulation, ceilings, floor coverings and other areas in residential housing and may exist in the Property.

(4) Seller knows of no material defects in or about the Property.

(5) All electrical wiring, heating, cooling, plumbing and irrigation equipment and systems and the balance of the Property, including the yard, personal property, crops, and other assets included in the purchase shall be in substantially its present condition at the time Buyer is entitled to possession.

(6) Seller has no notice of any liens or assessments to be levied against the Property.

(7) Seller has no notice from any government agency of any violation of law relating to the Property.

(8) Seller has no knowledge of any of the following matters affecting the use or operation of the Property: (a) past or present non-resource uses (e.g. cemeteries, landfills, dumps, etc.); (b) unrecorded access easements or agreements (e.g. for harvesting, fishing, hunting, livestock movement and pasture, etc.); (c) state or federal agreements/requirements regarding crops, grazing, reforestation, etc.; (d) supplier agreements, production processing commitments or other similar contracts.

(9) Well(s), water source(s), and/or water district resources have been adequate under Seller's current usage of the Property.

(10) Water rights (e.g., irrigation, agricultural), for not less than 292 acres, have been utilized and applied for beneficial use within the last five (5) years and are current and shall be transferred to Buyer at Closing. Water rights may be subject to certain conditions. Buyer should verify compliance with appropriate agency.

(11) Seller is not a "foreign person" under the Foreign Investment in Real Property Tax Act ("FIRPTA") as defined in this Agreement.

(12) Seller knows of no material discrepancies between visible lines of possession and use (such as existing fences, hedges, landscaping, structures, driveways, and other such improvements) currently existing on the Property offered for sale and the legal description of the Property.

Seller agrees to promptly notify Buyer, if prior to Closing, Seller receives actual notice of any event or condition which could result in making any previously disclosed material information relating to the Property substantially misleading or incorrect. These representations are made to the best of Seller's knowledge. Seller may have made no investigation.

Exceptions to items (1) through (12) are: _____

Buyer Initials

Date

Seller Initials

Date

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Sale Agreement # TS2011-601-1

Buyer acknowledges that the above representations are not warranties regarding the condition of the Property and are not a substitute for, nor in lieu of, Buyer's own responsibility to conduct a thorough and complete independent investigation, including the use of professionals, where appropriate, regarding all material matters bearing on the condition of the Property, its value and its suitability for Buyer's intended use. Neither the Listing nor Selling Licensee shall be responsible for conducting any inspection or investigation of any aspects of the Property.

19. "AS-IS": Except for Seller's express written agreements and written representations contained herein, and Seller's Property Disclosure, if any, Buyer is purchasing the Property "AS-IS," in its present condition and with all defects apparent or not apparent. This provision shall not be construed to limit Buyer's right to implied new home warranties, if any, that may otherwise exist under Oregon law.

20. PRIVATE WELL: If applicable, Seller represents that the private water well located on or serving the Property has provided an adequate supply of water throughout the year for household use. To the best of Seller's knowledge, the water is fit for human consumption and the continued use of the well and water is authorized by and complies with the laws of the State of Oregon and appropriate governmental agencies. No other representation is made concerning the water supply and well except as expressly stated in this Agreement. If the well provides water for domestic purposes, upon Seller's acceptance of Buyer's offer, Seller at Seller's expense, will have the well tested for arsenic, nitrates and total coliform bacteria and for such other matters as are required by the Oregon Health Division. Upon receipt, Seller shall submit the test results to the Oregon Health Division and Buyer within forty-eight (48) hours. At Buyer's expense, Buyer may have the well water tested for quantity or quality by a qualified tester, and obtain a written report of such test(s), showing the deficiencies (if any) in the well and the standards required to correct the deficiencies, all within _____ business days (seven [7] if not filled in) after the date Buyer and Seller have signed this Agreement. If the written report of any test made by Buyer or Seller shows a substantial deficiency in quantity or quality of the water, then Buyer may terminate this transaction by delivering written notice of termination, together with a copy of the test report to Seller or the Listing Licensee within twenty-four (24) hours after the receipt by Buyer of the written test report unless, within twenty-four (24) hours after Buyer's delivery of notice of termination, Seller agrees in writing to correct the deficiencies shown on the report. Any report obtained by Buyer will show what deficiencies, if any, are substantial. In the event any wells located upon the Property are not currently registered with the applicable governmental agency, Seller agrees to assist Buyer, at Buyer's sole expense, in registering them. The preceding sentence shall survive Closing of this transaction. For additional well provisions see OREF Private Well Addendum #082, or Addendum _____ is attached to this Agreement.

☐ OREF-082 Private Well Addendum is attached to this Agreement.

INSPECTIONS:**(CHECK ONLY ONE BOX)**

21. INSPECTIONS: Buyer understands that it is advisable to have a complete inspection of the Property by qualified professional(s) relating to such matters as structural condition, soil condition/compaction/stability, environmental issues, survey, zoning, operating systems, and suitability for the Buyer's intended purpose. Neither Listing nor Selling Licensee is qualified to conduct such inspections and shall not be responsible to do so. For further details, Buyer is encouraged to review the Buyer Advisory at "http://www.rea.state.or.us/" or at "http://www.oregonrealtors.org".

☐ PROFESSIONAL INSPECTIONS: At Buyer's expense, Buyer may have the Property and all elements and systems thereof inspected by one or more professionals of Buyer's choice. Provided, however, Buyer must specifically identify in this Agreement any desired inspections which may include testing or removal of any portion of the Property. Buyer understands that Buyer is responsible for the restoration of the Property following any inspection(s)/test(s) performed by Buyer or on Buyer's behalf. Buyer shall have _____ business days (ten [10] if not filled in), after the date Buyer and Seller have signed this Agreement, (hereinafter "the Inspection Period") in which to complete all inspections and negotiations with Seller regarding any matters disclosed in any inspection report. However, during the Inspection Period, Seller shall not be required to modify any terms of this transaction already reached with Buyer. Unless a written and signed modification is reached, at any time during the Inspection Period, Buyer may notify Seller or Listing Licensee, in writing, of Buyer's unconditional disapproval of the Property based on any inspection report(s), in which case, all earnest money deposits shall be promptly refunded and this Agreement shall be terminated. Buyer shall promptly provide a copy of all reports to Seller only if requested by Seller. If Buyer fails to provide Seller or Listing Licensee with written unconditional disapproval of any inspection report(s) by Midnight of the final day of the Inspection Period, Buyer shall be deemed to have accepted the condition of the Property.

☒ ALTERNATIVE INSPECTION PROCEDURES: OREF-058 PROFESSIONAL INSPECTION ADDENDUM OR OTHER INSPECTION ADDENDUM _____ is attached to this Agreement.

☐ BUYER'S WAIVER OF INSPECTION CONTINGENCY: Buyer represents to Seller and all Licensees and Firms that Buyer is fully satisfied with the condition of the Property and all elements and systems thereof and knowingly and voluntarily elects to waive the right to have any inspections performed as a contingency to the Closing of this transaction. Buyer's election to waive the right of inspection is solely Buyer's decision and at Buyer's own risk.

22. LEAD-BASED PAINT CONTINGENCY PERIOD: If the Property was constructed before 1978, a Lead-Based Paint Disclosure Addendum (hereinafter "the Disclosure Addendum") shall be promptly signed by Buyer, Seller and Listing and Selling Licensees, and become a part of this Agreement. Buyer shall also be provided with a pamphlet entitled "Protect Your Family From Lead in Your Home."

Buyer Initials

Date

6/25/11

Seller Initials

Date

6.25.11

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Sale Agreement # TS2011-601-1

Buyer shall have _____ calendar days (ten [10] unless a greater number is filled in) within which to conduct a lead-based paint assessment or inspection (hereinafter referred to as "the Lead-Based Paint Contingency Period"), which shall commence immediately when Buyer and Seller sign the Disclosure Addendum. Unless the opportunity to conduct a risk assessment or inspection is expressly waived in the Disclosure Addendum, Buyer may, in writing, unconditionally cancel this transaction during the Lead-Based Paint Contingency Period and receive a prompt return of all earnest money deposits. Buyer understands that the failure to give timely written notice of cancellation prior to Midnight on the last day of the Lead-Based Paint Contingency Period shall constitute acceptance of the condition of the Property as it relates to the presence of lead-based paint or lead-based paint hazards.

☐ OREF-021 Lead-Based Paint Disclosure Addendum is attached to this Agreement.

23. ESCROW: This transaction shall be Closed at Fidelity National Title ("Escrow"), a neutral escrow located in the State of Oregon. Costs of Escrow shall be shared equally between Buyer and Seller, unless Buyer is financing through Federal VA, in which case Seller shall pay all Escrow costs.

Unless otherwise provided herein, the parties agree as follows: Seller authorizes Listing Firm to order a preliminary title report and owner's title policy at Seller's expense and further authorizes Escrow to pay out of the cash proceeds of sale the expense of furnishing such policy, Seller's recording fees, Seller's Closing costs and any encumbrances on the Property payable by Seller on or before Closing. Buyer shall deposit with Escrow sufficient funds necessary to pay Buyer's recording fees, Buyer's Closing costs, and lender's fees, if any. Real estate fees, commissions or other compensation for professional real estate services provided by Listing and/or Selling Firms shall be paid at Closing in accordance with the listing agreement, buyer service agreement or other written agreement for compensation.

24. CLOSING: Closing shall occur on a date mutually agreed upon by Buyer and Seller, but in no event later than September 2, 2011 ("the Closing Deadline"). The terms "Closing", "Closed", or "Closing Date" shall mean when the deed or contract is recorded and funds are available to Seller. Buyer and Seller acknowledge that for Closing to occur by the Closing Deadline it may be necessary to execute documents and deposit funds in Escrow prior to that date. Caveat: Section 8 above requires three (3) days prior to the Closing Deadline if Escrow is to prepare a note and a deed of trust or mortgage.

25. POSSESSION: Seller shall remove all personal property (including trash and debris) that is not a part of this transaction and deliver possession of the Property to Buyer (select one):

(1) ☒ by 5:00 p.m. on Closing;

(2) ☐ by _____ a.m. ☐ p.m. _____ days after Closing;

(3) ☐ by _____ a.m. ☐ p.m. on the _____ day of _____.

If a tenant is currently in possession of the Property (check one): ☐ Buyer will accept tenant at Closing; ☐ Seller shall have full responsibility for removal of tenant prior to Closing.

26. SELLER POSSESSION AFTER CLOSING: In the event that Buyer and Seller have agreed that Seller will deliver possession after Closing, Seller shall pay as consideration \$ _____ per day for each day after Closing that Seller is to remain in possession of the Property. Such payment shall be made by Seller through Escrow at the time of Closing and no landlord-tenant relationship shall be created thereby, so long as Seller's possession does not exceed ninety (90) days after the date of Closing.

☐ OREF-054 Agreement to Occupy After Closing or Addendum _____, is attached to this Agreement.

27. PRORATIONS: Prorates for tenant rents, irrigation fees, grazing rights fees, leases, current year's taxes, interest on assumed obligations, and other prepaid expenses attributable to the property shall be as of: (check one) ☒ the Closing Date; ☐ date Buyer is entitled to possession; or ☐ (insert date) _____. Income from land leases and/or government contracts, such as Conservation Reserve Program (CRP) set-aside, shall be prorated for the current year. Unless otherwise agreed, all subsequent payments from such mentioned contracts made after Closing, shall be paid to Buyer.

28. UTILITIES/FUEL: Seller shall pay all utility bills accrued to date Buyer is entitled to possession. Buyer shall pay Seller for fuel (e.g., heating oil, gas, diesel, propane, etc.) then on premises, at Seller's supplier's rate on the possession date. Payment for fuel shall be handled between Buyer and Seller (check one) ☐ at Closing ☐ outside of Escrow.

29. PROPERTY TO REMAIN INSURED: Seller shall keep the Property fully insured, including but not limited to casualty and liability insurance for crops currently being fully insured and included in the purchase. Seller to maintain all insurance policies currently in force on any property being purchased until date Buyer is entitled to possession.

30. HOME WARRANTIES: Home warranty plans may be available to help cover homeowner costs to repair/replace certain home systems and appliances. (See specific plan for details.) Will a plan be purchased for Buyer as a part of this transaction? ☐ Yes ☒ No

If yes, identify plan and cost: _____ \$ _____ To be paid at Closing by: ☐ Buyer ☐ Seller

31. ESCROW DEPOSIT: Escrow is hereby instructed by Buyer and Seller as follows: (1) Upon your receipt of a copy of this Agreement marked "rejected" by Seller or upon Listing Firm's written advice that the offer is "rejected" by Seller, you are to refund all earnest money to Buyer. (2) Upon your receipt of a copy of this Agreement signed by Buyer and Seller set up an escrow account and proceed with Closing in accordance with the terms of this Agreement. If you determine that the transaction cannot be Closed for any reason (whether or not there is then a dispute between

Buyer Initials [Signature]Date 6/25/11Seller Initials [Signature]Date 6-25-11

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Sale Agreement # TS2011-601-1

Buyer and Seller), subject only to Section 46 below, you are to hold all earnest money deposits until you receive written instructions from Buyer and Seller, or a final ruling from a court or arbitrator, as to disposition of such deposits.

32. EARNEST MONEY PAYMENT/REFUND: If (1) Seller does not approve this Agreement; or (2) Seller signs and accepts this Agreement but fails to furnish marketable title; or (3) Seller fails to complete this transaction in accordance with this Agreement, or perform any other act as herein provided; or (4) any condition which Buyer has made an express contingency in this Agreement (and has not been otherwise waived) fails through no fault of Buyer, then all earnest money shall be promptly refunded to Buyer. However, acceptance by Buyer of the refund shall not constitute a waiver of other legal remedies available to Buyer. If Seller signs and accepts this Agreement and title is marketable and: (1) Buyer has misrepresented Buyer's financial status; or (2) Buyer's bank does not pay, when presented, any check given as earnest money; or (3) Buyer fails to redeem, when due, any note given as earnest money; or (4) Buyer fails to complete this transaction in accordance with this Agreement, or perform any other act as herein provided, then all earnest money paid or agreed to be paid shall be paid to Seller either as liquidated damages or as otherwise allowed under Oregon law, and this Agreement shall be terminated. **It is the intention of the parties that Seller's sole remedy against Buyer for Buyer's failure to Close this transaction shall be limited to the amount of earnest money paid or agreed to be paid herein**

33. BINDING EFFECT/CONSENT: This Agreement is binding upon the heirs, personal representatives, successors and assigns of Buyer and Seller. However, Buyer's rights under this Agreement or in the Property are not assignable without prior written consent of Seller.

34. SELLER ADVISORY: TAX WITHHOLDING OBLIGATIONS: Seller is advised that upon Closing, Federal and State law may require Escrow to withhold a portion of Seller's proceeds. Under Federal law, the Foreign Investment in Real Property Tax Act ("FIRPTA") requires every person who purchases real property located within the United States from a "foreign person" to deduct and withhold from Seller's proceeds ten percent (10%) of the gross sales price, with certain exceptions, and to pay the amount withheld to the Internal Revenue Service. A "foreign person" includes a non-resident alien individual, foreign corporation, foreign partnership, foreign trust and foreign estate. Additionally, subject to certain exceptions, Escrow is required to withhold a portion of Seller's proceeds if they are a non-resident individual or corporation as defined under Oregon law. Buyer and Seller agree to execute and deliver, as appropriate, any instrument, affidavit or statement, and to perform any acts reasonable or necessary to carry out the provisions of FIRPTA. If Seller is a foreign person as defined by FIRPTA, or a non-resident individual or corporation as defined under Oregon law, Buyer and Seller instruct Escrow to take all necessary steps to comply therewith.

35. AGRICULTURAL FOREIGN INVESTMENT DISCLOSURE ACT: Any foreign person who acquires or transfers agricultural land that is situated in the United States must report the transaction within ninety (90) days after the date of acquisition or transfer. In the event this transaction applies to either Buyer or Seller, that party agrees to comply with this Act.

36. APPROVED USES: THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS, THAT, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930 IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, AND SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN OREF 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO VERIFY THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007 AND SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009.

37.1 LEVY OF ADDITIONAL PROPERTY TAXES: The Property (check one): ☒ is ☐ is not specially assessed for property taxes (e.g., farm, forest or other) in a way which may result in levy of additional taxes in the future. If it is specially assessed, Seller represents that the Property is current as to income or other conditions required to preserve its deferred tax status. If, as a result of Buyer's actions or the Closing of this transaction, the Property either is disqualified from special use assessment or loses its deferred property tax status, unless otherwise specifically provided in this Agreement, Buyer shall be responsible for and shall pay when due, any deferred and/or additional taxes and interest which may be levied against the Property and shall hold Seller completely harmless therefrom. However, if as a result of Seller's actions prior to Closing, the Property either is disqualified from its entitlement to special use assessment or loses its deferred property tax status, Buyer may, at Buyer's sole option, promptly terminate this transaction and receive a refund of all deposits paid by Buyer in anticipation of Closing; or Close this transaction and hold Seller responsible to pay into Escrow all deferred taxes and/or next subsequent assessment of additional taxes and interest which may be levied or recaptured against the Property and hold Buyer completely harmless therefrom. The preceding shall not be construed to limit Buyer's or Seller's available remedies or damages arising from a breach of this Section 37.1.

37.2 HISTORIC PROPERTY DESIGNATION: If the Property described in this instrument is subject to special assessment under ORS 358.505, Seller to provide OREF-045 Historic Property Addendum.

Buyer Initials TS

/

Date 6/25/11Seller Initials TS

/

Date 6-25-11

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Sale Agreement # TS2011-601-1

DISPUTE RESOLUTION INVOLVING BUYERS AND SELLERS ONLY

38. DISPUTE RESOLUTION BETWEEN BUYER AND SELLER: Buyer and Seller agree that all claims, controversies and disputes between them, including those for rescission (hereinafter collectively referred to as "Claims"), relating directly or indirectly to this transaction, shall be resolved in accordance with the procedures set forth herein, which shall expressly survive Closing or earlier termination of this Agreement. Provided, however, the following matters shall not constitute Claims: (1) any proceeding to collect, interpret or enforce any mortgage, trust deed, land sale contract or recorded construction lien; or (2) a forcible entry and detainer action (eviction.) The filing in court for the issuance of any provisional process or similar remedy described in the Oregon or Federal Rules of Civil Procedure shall not constitute a waiver of the right or duty to utilize the dispute resolution procedures specified herein.

39. SMALL CLAIMS BETWEEN BUYER AND SELLER: Notwithstanding the following Sections, Buyer and Seller agree that all Claims that are within the jurisdiction of the Small Claims Court shall be brought and decided there, in lieu of mediation, arbitration or litigation in any other forum.

40. MEDIATION BETWEEN BUYER AND SELLER: If Buyer or Seller were represented in this transaction by a Licensee whose principal broker is a member of the National Association of REALTORS®, all Claims shall be submitted to mediation in accordance with the procedures of the Home Seller/Home Buyer Dispute Resolution System of the National Association of REALTORS®, or other organization-adopted mediation program (collectively "the System"). Provided, however, if the Licensee's principal broker is not a member of the National Association of REALTORS® or the System is not available through the principal broker's Association of REALTORS®, then all Claims shall be submitted to mediation either through: (1) the special mediation program administered by Arbitration Service of Portland ("ASP"), or (2) any other impartial private mediator(s) or program(s) so long as such services are available in the county where the Property is located, as selected by the party first filing for mediation.

41. ARBITRATION BETWEEN BUYER AND SELLER: All Claims that have not been resolved by mediation, or otherwise, shall be submitted to final and binding private arbitration in accordance with Oregon laws. Filing for arbitration shall be treated the same as filing in court for purposes of meeting any applicable statutes of limitation or for purposes of filing a lis pendens. Buyer or Seller may file Claims either with ASP or, alternatively, with any other professional arbitration service that has existing rules of arbitration, provided that the selected alternative service also uses arbitrators who are in good standing with the Oregon State Bar, with expertise in real estate law and who can conduct the hearing in the county where the Property is located. The arbitration service in which the Claim is first filed shall handle the case to its conclusion. BY CONSENTING TO THIS PROVISION BUYER AND SELLER ARE AGREEING THAT DISPUTES ARISING UNDER THIS AGREEMENT SHALL BE HEARD AND DECIDED BY ONE OR MORE NEUTRAL ARBITRATORS AND BUYER AND SELLER ARE GIVING UP THE RIGHT TO HAVE THE MATTER TRIED BY A JUDGE OR JURY. THE RIGHT TO APPEAL AN ARBITRATION DECISION IS LIMITED UNDER OREGON LAW.

42. ATTORNEY FEES IN CLAIMS BETWEEN BUYER AND SELLER: The prevailing party in any suit, action or arbitration (excluding those Claims filed in Small Claims Court) between Buyer and Seller shall be entitled to recovery of all reasonable attorney fees and costs and disbursement as defined in ORCP 68 (including all filing and mediator fees paid in mediation). Provided, however, if a mediation service was available to Buyer or Seller when the Claim arose, the prevailing party shall not be entitled to any award of attorney fees unless it is established to the satisfaction of the arbitrator(s) or judge that the prevailing party offered or agreed in writing to participate in mediation prior to, or promptly upon, the filing in arbitration or court.

DISPUTE RESOLUTION INVOLVING LICENSEES OR FIRMS

43. SMALL CLAIMS COURT AND ARBITRATION: All claims, controversies or disputes relating to this transaction, including those for rescission, in which a Licensee or Firm identified in the Final Agency Acknowledgment Section above is named or included as a party, shall be resolved exclusively as follows: (1) If within the jurisdictional limit of Small Claims Court, the matter shall be brought and decided there, in lieu of arbitration or litigation in any other forum. (2) All other claims, controversies or disputes involving such Licensee or Firm shall be resolved through final and binding arbitration using the arbitration selection process described in Section 41 above. Filing for arbitration shall be treated the same as filing in court for purposes of meeting any applicable statutes of limitation or for purposes of filing a lis pendens. This Section 43 shall be in lieu of litigation involving such Licensee or Firm in any other forum. Such Licensee or Firm may voluntarily participate in formal or informal mediation at any time, but shall not be required to do so under this Section 43. This Section 43 shall not apply to those matters in which: (a) The claim, controversy or dispute is exclusively between REALTORS® and is otherwise required to be resolved under the Professional Standards Arbitration provisions of the National Association of REALTORS®; (b) Licensee or Firm has agreed to participate in alternative dispute resolution provision of a prior written listing, service or fee agreement with Buyer or Seller, or (c) Licensee or Firm is the Buyer or Seller in this transaction (in which case, Sections 38-42 shall apply). This Section 43 shall expressly survive Closing or earlier termination of this Agreement. **In the event that one or more Licensees and/or Firms have been named or included in any claims, controversies or disputes that also include Buyer and/or Seller, the alternative dispute resolution and attorney fee provisions of Sections 38-42 above shall continue to apply to Buyer and/or Seller, and this Section 43 shall apply exclusively to Licensees and/or Firms.**

44. RECEIPT FOR EARNEST MONEY: Selling Firm acknowledges receipt of earnest money from Buyer in the sum of \$ 50,000.00 evidenced by (check one) ☐ CASH ☐ CHECK ☒ PROMISSORY NOTE payable as follows:

☒ 60 ☐ business ☒ calendar (check one) days after mutual acceptance of this Agreement; or

☐ on or before _____;

☐ Other form of Earnest Money: _____

Buyer Initials [Signature] Date 6/25/11

Seller Initials [Signature] Date 6-25-11

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Sale Agreement # TS2011-601-1

45. EARNEST MONEY INSTRUCTIONS: Buyer instructs Selling Firm, and Selling Firm agrees, to handle the earnest money as follows (check all that apply):

☐ Hold any earnest money that is in the form of a check undeposited pending mutual acceptance of this Agreement and all agreed-upon counter offers, after which time deposit it as provided herein within three (3) banking days. ☐ Deposit any earnest money funds redeemed under a promissory note with _____ ☐ Deposit in Selling Firm's client trust account, and thereafter/or

☒ Deposit with Escrow. In the event the earnest money is deposited in Selling Firm's trust account or with Escrow (collectively "the Deposit Holder"), and the Deposit Holder has arranged to have interest on such deposit transferred to a qualified public benefit corporation for distribution to organizations and individuals for first time home-buying assistance and development of affordable housing pursuant to ORS 696.241(6) or ORS 696.578(3), all parties acknowledge and agree that any interest accruing on the earnest money so deposited shall be transferred in accordance with this provision. The preceding sentence shall be subject to any other statutes or regulations governing the disposition of earnest money deposits.

SELLING LICENSEE AND SELLING FIRM SHALL HAVE NO FURTHER LIABILITY WITH RESPECT TO EARNEST MONEY WHICH THE PARTIES HAVE AUTHORIZED TO BE TRANSFERRED TO A THIRD PARTY.

Agri-Business Real Estate Services

Selling Firm

Selling Licensee Signature

Office Address 4675 Deon Lane SE, Salem, OR 97317 Phone (503) 371-6409 FAX _____

46. PROPERTY DISCLOSURE/DISCLAIMER LAW: Buyer and Seller acknowledge that unless this transaction is otherwise exempted, Oregon law provides that Buyer has a right to revoke Buyer's offer by giving Seller written notice thereof (a) within five (5) business days after Seller's delivery of Seller's Property Disclosure Statement ("the Statement"), or (b) at any time before Closing (as defined in the Oregon Administrative Rules) if Buyer does not receive the Statement from Seller before Closing. Buyer may waive the right of revocation only in writing. Seller authorizes the Listing Firm to receive Buyer's notice of revocation, if any, on Seller's behalf.

47. COUNTERPARTS/ DELIVERY: This Agreement may be signed in multiple counterparts with the same legal effect as if all parties signed the same document. This shall mean that delivery (e.g., transmissions manually, by facsimile, electronic mail, overnight mail, first-class regular or certified mail, etc.) of a legible true copy of a signed original of this Agreement, including but not limited to all addenda, counter offers, and legal notices required thereunder, shall be treated the same as delivery of the original document.

48. AGREEMENT TO PURCHASE: Buyer agrees to purchase the Property upon the terms and conditions set forth in this Agreement. Buyer acknowledges receipt of a completely filled-in copy of this Agreement which Buyer has fully read and understands. Buyer acknowledges that Buyer has not relied upon any oral or written statements made by Seller or any Licensee which are not expressly contained in this Agreement. Neither Seller nor any Licensee(s) warrant the square footage of any structure or the size of any land being purchased. If square footage or land size is a material consideration, all structures and land should be measured by Buyer prior to signing, or should be made an express contingency in this Agreement.

Deed or contract shall be prepared in the name of To be provided prior to the close of escrow

This offer shall automatically expire on (insert date) June 27, 2011 at _____ a.m. 5:00 p.m., (the "Offer Deadline"), if not accepted by that time.

Buyer may withdraw this offer before the Offer Deadline any time prior to Seller's written acceptance. If Seller accepts this offer after the Offer Deadline, it shall not be binding upon Buyer unless accepted by Buyer in writing within _____ business days (two [2] if not filled in) after the date of Seller's acceptance by so indicating at Section 51 below. This offer may be accepted by Seller only in writing.

Buyer Julian Lafayette Date 6/25/2011 9:00 a.m. _____ p.m.

Buyer _____ Date _____ a.m. _____ p.m.

Address _____ Zip _____

Phone Home _____ Work _____ E-mail _____ Fax _____

NO CHANGES OR ALTERNATIONS ARE PERMITTED TO ANY PORTION OF THE PRE-PRINTED FORMAT OR TEXT OF THIS FORM. ANY SUCH PROPOSED CHANGES OR ALTERATIONS SHOULD BE MADE ON A SEPARATE DOCUMENT. CHANGES BY SELLER OR LISTING LICENSEE TO THE TERMS OR PROVISIONS ABOVE BUYER'S SIGNATURE SHOULD ALSO BE ON A SEPARATE DOCUMENT.

This offer was submitted to Seller for signature 25th day of June 2011, at 10:00 a.m. _____ p.m.

By Terry Silbernagel (Licensee(s) presenting offer).

Buyer Initials JS

Date 6/25/11

Seller Initials TS

Date 6.25.11

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LINES WITH THIS SYMBOL ← REQUIRE A SIGNATURE OF BUYER AND/OR SELLER AND DATE

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FARMS, RANCHES, ACREAGE & NATURAL RESOURCE PROPERTY REAL ESTATE SALE AGREEMENT - Page 9 of 10

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Sale Agreement # TS2011-601-1

49. AGREEMENT TO SELL / ACKNOWLEDGEMENTS / DISPOSITION OF EARNEST MONEY: Seller accepts Buyer's offer. Seller acknowledges receipt of a completely filled-in copy of this Agreement, which Seller has fully read and understands. Seller acknowledges that Seller has not relied upon any oral or written statements of Buyer or of any Licensee(s) which are not expressly contained in this Agreement. Seller instructs that all earnest money distributable to Seller pursuant to Section 31 above, shall be disbursed as follows after deduction of any title insurance and Escrow cancellation charges: (check one) ☐ First to Listing Firm to the extent of the agreed commission just as if the transaction had been Closed, with residue to Seller, or ☐ _____.

Seller _____ Date _____ a.m. _____ p.m. ←

Seller Olsen Agricultural Enterprises LLC Date 6.25.11 10 a.m. _____ p.m. ←

Address _____ Zip _____

Phone Home _____ Work _____ E-mail _____ Fax _____

50. REJECTION/COUNTER OFFER: SELECT ONE: ☐ Seller does not accept the above offer, but makes the attached counter offer.

☐ Seller rejects Buyer's offer.

Seller _____ Date _____ a.m. _____ p.m. ←

Seller Olsen Agricultural Enterprises LLC Date _____ a.m. _____ p.m. ←

Address _____ Zip _____

Phone Home _____ Work _____ E-mail _____ Fax _____

51. BUYER'S ACKNOWLEDGMENT: Buyer acknowledges receipt of a copy of Seller's written response to this Agreement. If Seller's response is an acceptance of Buyer's offer that occurred after the Offer Deadline identified at Section 48 above, Buyer (select only one) ☐ agrees ☐ does not agree, to be bound thereby. (The failure to check either box shall constitute rejection of Seller's acceptance after the Offer Deadline.)

Buyer Julian Lafayette Date 6/25/2011 10:00 a.m. _____ p.m. ←

Buyer _____ Date _____ a.m. _____ p.m. ←

52. FIRMS/LICENSEES:

Selling Licensee Terry Silbernagel Selling Firm Agri-Business Real Estate Services

Selling Firm Office Address 4675 Deon Lane SE, Salem, OR 97317

Phone (503) 371-6409 FAX _____ Selling Firm Principal Broker Initials/Date _____ / _____

Listing Licensee Terry Silbernagel Listing Firm Agri-Business Real Estate Services

Listing Firm Office Address _____

Phone _____ FAX _____ Listing Firm Principal Broker Initials/Date _____ / _____

Buyer Initials JS / _____ Date 6/25/11

Seller Initials TS / _____ Date 6.25.11

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ADDENDUM TO REAL ESTATE SALE AGREEMENT

1 This is an Addendum to: ☒ Real Estate Sale Agreement ☐ Seller's Counter Offer ☐ Buyer's Counter Offer
 2 Re: Real Estate Sale Agreement No. TS2011-601-1 Dated June 20, 2011 Addendum No. One The buyer s
 3 Buyer: Julian Lafayette
 4 Seller: Olsen Agricultural Enterprises LLC
 5 The real property described as: 34645 Lake Creek Dr. , Brownsville, OR 97361
 6 SELLER AND BUYER HEREBY AGREE THE FOLLOWING SHALL BE A PART OF THE REAL ESTATE SALE AGREEMENT REFERENCED
 7 ABOVE.
 8
 9 This offer does hereby terminate and replace the offer # TS2011-601.
 10 The seller to provide the buyer with a State of Oregon Approved affidavit of water usage showing
 11 the beneficial use of the irrigation rights within the last five years.
 12 The buyer shall a period of 60 calendar days from mutual acceptance to complete their due
 13 diligence, including but not limited to: well flow tests, water quality tests, verification of
 14 water rights, level environmental survey, personal inspection of all improvements and
 15 professional inspections of the improvements if they feel it is necessary.
 16 The seller is retaining approximately 20 acres on the eastern boundary of tax lot 2600. The
 17 buyer shall be granted access easement over this parcel 40' wide and this easement shall self
 18 extinguish at the time a public right of way is established. In addition to this esaement the
 19 buyer shall have the right to use all existing easements currently of benefit to the property.
 20 Seller to transfer all water rights currently held for the property to the buyer at the time of
 21 closing.
 22
 23
 24
 25
 26
 27 Buyer Signature [Signature] Date 6/25, 2011 9 a.m. ____ p.m. ←
 28 Buyer Signature _____ Date _____, _____ a.m. ____ p.m. ←
 29 Seller Signature [Signature] Date 6-25, 2011 10 a.m. ____ p.m. ←
 30 Seller Signature Olsen Agricultural Enterprises LLC Date _____, _____ a.m. ____ p.m. ←
 31 Selling Licensee Terry Silbernagel Listing Licensee Terry Silbernagel
 32 Selling Firm Broker's Initials/Date _____ / _____ Listing Firm Broker's Initials/Date _____ / _____

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Page ____ of ____ Pages



ADDENDUM TO REAL ESTATE SALE AGREEMENT

1 This is an Addendum to: ☒ Real Estate Sale Agreement ☐ Seller's Counter Offer ☐ Buyer's Counter Offer
 2 Re: Real Estate Sale Agreement No. TS2001-601-1 Dated June 20, 2011 Addendum No. ONE page two
 3 Buyer: Julian Lafayette
 4 Seller: Olsen Agricultural Enterprises LLC
 5 The real property described as: 34645 Lake Creek Dr., Brownsville, OR 97361
 6 SELLER AND BUYER HEREBY AGREE THE FOLLOWING SHALL BE A PART OF THE REAL ESTATE SALE AGREEMENT REFERENCED
 7 ABOVE.
 8 Buyer to have the right to farm the parcel, approximately 20 acres, being retained by the seller
 9 for a price of \$1,000. per year. This lease shall remain in effect until the seller proceeds
 10 with the development of the property. The seller/landlord shall give notice to the buyer/tenant
 11 when development will be commencing. If this notice comes after October 1 then the buyer shall
 12 have the right to harvest one final crop.
 13 The seller to be responsible for the buyer's closing costs exclusive of the buyer's loan costs.
 14 _____
 15 _____
 16 _____
 17 _____
 18 _____
 19 _____
 20 _____
 21 _____
 22 _____
 23 _____
 24 _____
 25 _____
 26 _____
 27 Buyer Signature Julian Lafayette Date 6/25, 2011 9 a.m. ____ p.m. ←
 28 Buyer Signature _____ Date _____, _____ a.m. ____ p.m. ←
 29 Seller Signature Olsen Agricultural Enterprises LLC Date 6.25, 2011 10 a.m. ____ p.m. ←
 30 Seller Signature _____ Date _____, _____ a.m. ____ p.m. ←
 31 Selling Licensee Terry Silbernagel Listing Licensee Terry Silbernagel
 32 Selling Firm Broker's Initials/Date _____ / _____ Listing Firm Broker's Initials/Date _____ / _____

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Page ____ of ____ Pages

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ADDENDUM TO REAL ESTATE SALE AGREEMENT

1 This is an Addendum to: ☒ Real Estate Sale Agreement ☐ Seller's Counter Offer ☐ Buyer's Counter Offer

2 Re: Real Estate Sale Agreement No. TS2011-601-1 Dated June 25, 2011 Addendum No. Two

3 Buyer: Julian Lafayette

4 Seller: Olsen Agricultural Enterprises LLC

5 The real property described as: 34645 Lake Creek Dr., Brownsville, OR 97361

6 SELLER AND BUYER HEREBY AGREE THE FOLLOWING SHALL BE A PART OF THE REAL ESTATE SALE AGREEMENT REFERENCED

7 ABOVE.

8 The buyer and the seller agree that the property being sold is described as follows:

9 1.A parcel approximately 253.66 acres which is identified at Map 14S, Range 3W, Section 1, tax

10 lot 2600, which is approximately 274.04 acres in total but excludes 20.38 acres within the City

11 of Brownsville.

12 2.A parcel approximately 21.74 acres in size which is identified at Map 14S, Range 3W, Section

13 1, tax lot 2200.

14 3.A parcel approximately 98.18 acres in size which is identified at Map 14S, Range 3W, Section

15 1, tax lot 1100.

16 Together, the acreage is approximately 373.58 acres, more or less.

17

18

19

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25

26

27 Buyer Signature Julian Lafayette Date 6/29/11 9:30 a.m. p.m. ←

28 Buyer Signature _____ Date _____ a.m. p.m. ←

29 Seller Signature Olsen Agricultural Enterprises Date 6/29/11 9:30 a.m. p.m. ←

30 Seller Signature _____ Date _____ a.m. p.m. ←

31 Selling Licensee Terry Silbernagel Terry Silbernagel Listing Licensee Terry Silbernagel Terry Silbernagel

32 Selling Firm Broker's Initials/Date TS 6/29/11 Listing Firm Broker's Initials/Date TS 6/29/11

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Page ____ of ____ Pages


 Sale Agreement # TS2011-601-1
 Addendum _____

PROMISSORY NOTE FOR EARNEST MONEY

1 Buyer(s) Julian Lafayette

2 Seller(s) Olsen Agricultural Enterprises LLC

3 Property Address 34645 Lake Creek Dr., Brownsville, OR 97361

4 Buyer(s): Julian Lafayette

5 jointly and severally promise to pay to (select only one payee):

6 ☐ Real Estate Firm: _____

7 ☒ Seller(s): Olsen Agricultural Enterprises LLC

8 the sum of \$ 50,000.00

9 1) Upon redemption of this promissory note, funds shall be made payable to (select only one):

10 ☐ Real Estate Firm Trust Account: _____

11 ☐ Seller(s): _____

12 ☒ Escrow / Title Company: Fidelity National Title

13 2) This Note is due and payable (select only one due date):

14 ☒ 60 ☐ business ☒ calendar (Select one) days after mutual acceptance of the Real Estate Sale Agreement;

15 ☐ on or before _____

16 3) If this Note is not paid when due, Buyer(s) shall pay interest at the rate of ten percent (10%) per annum on the unpaid balance from the

17 due date until it is paid in full. BUYER(S) UNDERSTAND(S) THAT TIME IS OF THE ESSENCE, AND THAT THE FAILURE TO PAY

18 THIS NOTE WHEN DUE, MAY CONSTITUTE A DEFAULT UNDER THE REAL ESTATE SALE AGREEMENT WITH SELLER.

19 4) If Real Estate Firm is named as the payee of this Note, and Note is not paid when due, Buyer(s) hereby consent(s) to Real Estate Firm

20 assigning and transferring it to Seller(s) for all purposes including collection.

21 5) This Note is hereby incorporated into and made a part of the Real Estate Sale Agreement between Seller(s) and Buyer(s). In the event of

22 any dispute between said parties, the mediation, arbitration and attorney fee provisions therein shall expressly apply.

23 6) If payment is not made on or before the due date, Buyer(s) understand that Principal Broker is instructed by Seller(s) to promptly assign

24 and transfer this Note to Seller(s), without recourse, and for all purposes, including collection. It is expressly understood and agreed that

25 neither Principal Broker nor Principal Broker's Firm, its owners, officers or directors, licensees, employees or representatives shall have

26 any duty (fiduciary or otherwise), responsibility or liability to Seller(s) to enforce collection of the Note, nor for any fees or costs associated

27 therewith.

28 Buyer Julian Lafayette Date 6/25/11 ← Seller _____ Date _____ ←

29 Buyer _____ Date _____ ← Seller Olsen Agricultural Enterprises LLC Date 6-25-11 ←

30 Selling Licensee Terry Silbernagel Listing Licensee Terry Silbernagel

31 Selling Firm Agri-Business Real Estate Services Listing Firm Agri-Business Real Estate Services

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 Principal Broker's Initials _____
 Date _____

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Exhibit B – Legal Description of Property

PRELIMINARY REPORT

(Continued)

Order No.: FT110030770-FTMWV01

EXHIBIT "ONE"

Parcel 1:

Beginning at the Southeast corner of the Donation Land Claim of John McKinney and wife, in Section 12, Township 14 South, Range 3 West of the Willamette Meridian, Linn County, Oregon, the same being Notification No. 2135 and Claim No. 38 in said Township and Range; thence West 40 chains, thence North 25 chains, thence East 40 chains, thence South 25 chains to the place of beginning.

EXCEPTING THEREFROM, any portion of the above described premises lying within the limits of Linn County Road No. 508, (aka Lake Creek Drive).

Parcel 2:

Tract A:

Beginning at an iron bolt which is on the West line of and North 53.00 chains distant from the Southwest corner of the Donation Land Claim of Alexander Kirk, being Notification No. 2136, and Claim No. 37 in Township 14 South, Range 3 West of the Willamette Meridian, Linn County, Oregon; thence East and parallel with the South line of said Claim 1979.62 feet to a 1 inch pipe; thence North $0^{\circ} 16'$ West 801.15 feet to a 1/2 inch iron rod; thence South $85^{\circ} 29'$ West 53.15 feet to a 1/2 inch iron rod; thence North $0^{\circ} 29'$ East 213.10 feet to a 1/2 inch iron rod; thence North $9^{\circ} 4'$ East 133.4 feet to a 1 inch pin set at the Southwest corner of that certain tract as described in Volume 164, Page 633, Deed Records of Linn County, Oregon; thence North $2^{\circ} 38'$ East 116.88 feet to a 1 1/4 inch pipe; thence North $89^{\circ} 09'$ West 1258.30 feet to a point which is the Northeast corner of that certain tract as described Volume 225, Page 748, Deed Records of Linn County, Oregon; thence South $0^{\circ} 05'$ West 387.41 feet to the Southeast corner of the above described tract; thence North $89^{\circ} 09'$ West 698.22 feet to the East line of the John McKinney Donation Land Claim No. 38 of said Township and Range; thence South $87^{\circ} 58'$ West 506.45 feet to a 5/8 inch bolt; thence South $81^{\circ} 02'$ West 326.28 feet to a 1/2 inch rod; thence North $81^{\circ} 09'$ West 118.90 feet to a 1/2 inch rod; thence South $86^{\circ} 05'$ West 103.50 feet to a 1/2 inch bolt; thence South $48^{\circ} 48'$ West 87.32 feet to a 1/2 inch bolt; thence South $77^{\circ} 49'$ West 309.62 feet to a 1/2 inch bolt; thence South $89^{\circ} 50'$ West 65.94 feet to a 1 inch rod on the Easterly right of way line of the Southern Pacific Railroad; thence South $33^{\circ} 0'$ West along said right of way to a 1/2 inch pipe on the West line of said Claim No. 38; thence South 23.07 chains to an iron pipe which is North 25.00 chains distance from the Southwest corner of the East half of said Claim No. 38; thence East parallel with the South line of said claim, 40.00 chains to a stone 4 x 8 x 14 inches marked CS on the East line of said Claim No. 38; thence North 37.87 chains to the point of beginning.

Together with an easement for joint use of a roadway 20 feet in width as created by instrument recorded October 27, 1982 in Volume 322, Page 495, Microfilm Records of Linn County, Oregon.

Tract B:

Beginning at a point 41.575 chains North of the Southwest corner of the Donation Land Claim of Alexander Kirk and wife, Notification No. 2136, Claim No. 37, in Township 14 South, Range 3 West of the Willamette Meridian in Linn County, Oregon, and running thence North 11.425 chains; thence East 39.54 chains, to a point 30 feet West of the East boundary line of said Claim; thence south 1 rod; thence East 30 feet to the East boundary line of said Claim; thence South 1.965 chains; thence West 21.72 chains, to a point 18.28 chains East and 9.21 chains North

PRELIMINARY REPORT

(Continued)

Order No.: FT110030770-FTMWV01

of the place of beginning; thence South 9.21 chains; thence West 18.25 chains to the place of beginning.

Excepting therefrom, any portion of the above described premises lying within the limits of Linn County Road No. 770.

Together with a right of way over a strip of land described as follows: Beginning at the Southwest corner of Tract II above described and being 41.575 chains North of the Southwest corner of said Donation Land Claim and running from thence East 18.28 chains; thence North 10.00 feet; thence East 21.72 chains to the East boundary of said claim; thence South 20.00 feet; thence West 40.0 chains to the West boundary of said Claim; thence North 10.00 feet to the place of beginning.

Tract C:

Beginning at a point 41.575 chains North and 18.28 chains East to the Southwest corner of the Donation Land Claim of Alexander Kirk and wife, Notification No. 2136, Claim No. 37 in Township 14 South, Range 3 West of the Willamette Meridian in Linn County, Oregon, and running from thence North 9.21 chains; thence East 21.72 chains to the East boundary of said Donation Land Claim; thence South along the East boundary of said Donation Land Claim, 9.21 chains; thence West 21.72 chains to the point of beginning, in Linn County, Oregon.

Excepting therefrom, any portion of the above described premises lying within the limits of Linn County Road No. 770.

Parcel 3:

Tract A:

Beginning at a point on the West boundary line of the Donation Land Claim of Alexander Kirk and wife, being Notification No. 2136 and Claim No. 37, in Township 14 South, Range 3 West of the Willamette Meridian, Linn County, Oregon, 27.50 chains North of the Southwest corner of said Claim, and running thence North 14.075 chains; thence East 480 feet; thence South 14.075 chains; the West 480 feet to the point of beginning, Linn County, Oregon.

Tract B:

Beginning at a point 41.575 chains North and 480 feet East of the Southwest corner of the Donation Land Claim of Alexander Kirk and wife, Notification No. 2136, and Claim No. 37 in Township 14 South, Range 3 West of the Willamette Meridian, Linn County, Oregon; and running from thence East 540 feet; thence South 14.075 chains; thence Wet 540 feet; thence North 14.075 chains to the place of beginning.

Certificate of Service

I hereby certify that on June 30, 2011, I caused a copy of the Debtor's Motion for Authorization to Sell Real Property Outside the Ordinary Course of Business Free and Clear of Liens (Koos Brownsville Farm), and the Notice of Intent to Sell Real or Personal Property, Compensate Real Estate Broker, and/or Pay any Secured Creditors' Fees and Costs; Motion for Authority to Sell Property Free and Clear of Liens; and Notice of Hearing (which is being filed simultaneously with the foregoing Motion) to be served on the parties indicated as "Non-ECF" on the attached List of Interested Parties by the methods indicated. Unless another method of service is indicated, service was made by placing a copy thereof in a sealed, first-class postage prepaid envelope, addressed to each party's last known address and depositing the same into the United States mail at Portland, Oregon on the date set forth below. The parties indicated as "ECF" on the Court's records were served through the ECF System by electronic notice.

Dated: June 30, 2011.

Greene & Markley, P.C.

By /s/ Sanford R. Landress
Sanford R. Landress, OSB #814382
Attorneys for Debtor

List of Interested Parties

(Olsen Agricultural Enterprises LLC)

NON-ECF

11-62723-fra11 Notice will not be electronically mailed via ECF to:

Unsecured Creditors Committee:

Kevin Chambers
Chairperson
Oregon Vineyard Supply Co.
2700 St. Joseph Rd.
McMinnville, OR 97128

Howard Pope
ORCO, Inc.
12680 SW Pacific Hwy
Monmouth, OR 97361

John Ralston
HSR Architecture LLC
838 NW Bond St., Ste. 2
Bend, OR 97701

Parties Requesting Notice:

Mary Ann Kilgore
Union Pacific Railroad Company
1400 Douglas Street, STOP 1580
Omaha, Nebraska 68179

Shawn Lanka
Union Pacific Railroad Company
1400 Douglas Street, STOP 1580
Omaha, Nebraska 68179

Other Parties:

BFS International, LLC
c/o David E. Grein, Esq.
Registered Agent
1030 SW Morrison St.
Portland, OR 97205

Tim Miller
BFS International, LLC
3835 NE Hancock St. Ste. 203
Portland, OR 97212